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Summary

The present report contains the main findings and recommendations of the Committee for Development Policy at its seventeenth session. At the session, the Committee addressed the following themes: accountability for the implementation of the post-2015 development agenda as its contribution to the discussions on the 2015 annual ministerial review; the triennial review of the category of least developed countries; monitoring of countries that are graduating and have graduated from the list of least developed countries; review and fine-tuning of the human assets index of the criteria for the identification of least developed countries; and strengthening official development assistance for the implementation of the Istanbul Programme of Action.

The success of the post-2015 development agenda depends on adopting global goals for sustainable development and on designing a robust accountability system for results and constructive change. All stakeholders should be involved in the accountability framework. Progress towards agreed objectives should be monitored, obstacles to implementation examined and successful approaches identified. Changes and remedial actions to those policies deemed ineffective to meet internationally agreed goals could then be suggested. Having effective accountability also requires clearly delineated responsibility for implementation among partners and relevant quantifiable targets, which will need to be supported by adequate information systems. The sustainable development goals are universal, but need to be adapted to national contexts. Countries also need to specify their global commitments to creating an enabling environment for sustainable development worldwide. The adaptation of global goals into national targets ensures ownership and facilitates answerability, transparency and inclusiveness.

The Committee conducted the triennial review of the list of least developed countries. It found Angola eligible for graduation for the second consecutive time and recommended it for graduation from the list. Kiribati was also found eligible for the second consecutive time, but was not recommended for graduation. The Committee will consider Kiribati again at the next triennial review in 2018. At that time, it will also consider Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste, which were found eligible for graduation for the first time at the 2015 triennial review.

In its monitoring of countries that are graduating and have graduated from the least developed country category, the Committee reviewed the development progress of Maldives and Samoa, which have graduated, and of Equatorial Guinea and Vanuatu, which are graduating. Maldives and Samoa have continued to achieve steady development progress, while they remain vulnerable to economic and environmental shocks. The Committee noted the imbalance between per capita income and the level of human assets in Equatorial Guinea and its heavy dependence on the oil sector. It also expressed its concern about the negative impacts of cyclone Pam that hit Vanuatu in March 2015. The Committee highlighted the importance of the participation of countries that are graduating and have graduated in the monitoring process.

In preparation for the 2018 triennial review of the list of least developed countries, the Committee re-examined the human assets index. It decided to add the maternal mortality ratio to the index. Accordingly, the index will be comprised of

five indicators, three of which are related to health (the percentage of the population which is undernourished, the under-five mortality rate and the maternal mortality ratio), all with equal weight in the health-related sub-index (i.e., carrying one sixth each), and two of which are related to education (the adult literacy rate and the gross secondary school enrolment ratio) both with equal weight in the education-related sub-index (i.e., carrying one quarter each). The Committee also decided to continue to examine other elements of the index, notably to consider further a possible replacement of the undernourishment indicator with stunting, as a measure of malnutrition.

Finally, the Committee considered issues related to the implications of the post-2015 development landscape and the need for the least developed countries to gain better access to official development assistance and alternative sources of financing. It stressed the importance of donors meeting their commitments to the least developed countries and for adopting better aid allocation criteria to improve the efficiency of their official development assistance. In order to allow for more targeted development cooperation, the Committee proposed that donors organize the least developed countries into clusters with similar structural impediments. It also underscored the need for addressing aid dependency without reducing the flow of official development assistance to those countries.

[14 May 2015]

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Chapter I

Matters calling for action by the Economic and Social Council or brought to its attention

A. Matters calling for action by the Council

Accountability for the post-2015 era

1. At the United Nations summit for the adoption of the post-2015 development agenda to be held in September 2015, Member States will express their mutually agreed vision for sustainable development in the post-2015 era. The Committee recommends that the Council consider the following actions:

(a) Invite Member States of the United Nations to prepare and make public their national commitments to achieving the sustainable development goals, adapting the targets to their national context and designing appropriate policies to meet those targets nationally, and contribute to their achievement at the global level;

(b) Invite the High-level Political Forum on Sustainable Development to focus its follow-up and review of progress in the implementation of sustainable development commitments on the global partnership for sustainable development (sustainable development goal 17), which is necessary to support the implementation of those commitments;

(c) Instruct the United Nations regional commissions to facilitate the conduct of open, inclusive and participatory regional peer reviews of the implementation of the post-2015 agenda;

(d) Encourage all multilateral international organizations to support the accountability framework for the post-2015 agenda.

Triennial review of the list of least developed countries

2. The Committee recommended to the Economic and Social Council that Angola graduate from the list of least developed countries. In line with General Assembly resolutions 59/209 and 67/221, the Committee advised the Council to reiterate the importance for development partners of supporting Angola with concrete measures to facilitate a smooth transition.

Monitoring of countries which are graduating and have graduated from the list of least developed countries

3. The Committee brought to the attention of the Council the relevant provisions of General Assembly resolution 67/221 and Economic and Social Council resolution 2014/9. To ensure increased efficiency in the implementation of those resolutions, the Committee recommended that the Council request the participation of the secretariats of the regional commissions in the monitoring of countries that are graduating and have graduated from the list of least developed countries, in accordance with the guidelines established by the Committee and approved by the Council in 2013.

B. Matters brought to the attention of the Council

Accountability for the post-2015 era

4. The success of the post-2015 development agenda depends on the adoption of global goals for sustainable development and on designing a robust accountability system, with strong incentives for the implementation of commitments. All stakeholders (Governments, the United Nations system, other international organizations, civil society organizations and the private sector) should be involved in the accountability framework and their achievements should be monitored globally. While the sustainable development goals are universal in character, countries need to adapt them to national contexts, taking into account their specific constraints and opportunities. That requires a process of democratic consultation, including with national parliaments and civil society. Countries also need to specify their global commitments to creating an enabling environment for sustainable development worldwide. The adaptation of global goals into national targets ensures ownership and facilitates the answerability of all stakeholders to citizens and to the global community. It also enables the accountability framework to be an inclusive, transparent and participatory bottom-up process.

Triennial review of the list of least developed countries

5. The Committee found that Kiribati fulfilled the criteria for graduation from the least developed country category for the second consecutive time. However, the Committee deferred its decision on a recommendation for the country to graduate to the next triennial review in 2018. Kiribati has the highest level of vulnerability of all countries and there are also associated concerns about the sustainability of its current level of income. In that regard, the Committee requested the United Nations Conference on Trade and Development (UNCTAD) to update the vulnerability profile of Kiribati and the Department of Economic and Social Affairs to update its impact assessment on the country prior to the 2018 triennial review.

6. The Committee found that Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste fulfilled the criteria for graduation for the first time. They will be considered for possible graduation at the next triennial review. The Committee requested UNCTAD to prepare vulnerability profiles and the Department of Economic and Social Affairs to prepare impact assessments on those countries for the 2018 triennial review.

7. The Committee noted that rising incomes and human assets in many of the least developed countries implied that an increasing number were approaching graduation. At the same time, economic vulnerability and particularly vulnerability to climate change remained serious concerns. For some countries, the possibility of losing access to financial support for addressing climate and economic vulnerabilities constituted a major obstacle to graduation. There was an urgent need to develop and implement a framework for international support for countries vulnerable to climate change and to other environmental and economic shocks.

Monitoring of countries that are graduating and have graduated

8. The Committee reviewed the development progress of Equatorial Guinea and Vanuatu, earmarked for graduation in June 2017 and December 2017 respectively. It found that Equatorial Guinea continued to heavily rely on the hydrocarbon sector

and had a significant imbalance between the high level of per capita income and the low level of its human assets index. The Committee advised the country to formulate and implement a transition strategy for economic diversification and an improved index. It found that in 2014, Vanuatu continued to achieve steady income growth and improved the level of its human assets. However, the Committee noted with concern the devastating consequences of cyclone Pam, which hit the country in March 2015, raising uncertainty about the near-term development outlook.

9. The Committee also reviewed the development progress of Maldives and Samoa, which have graduated. It noted that both countries continued to achieve steady development progress, although they remained vulnerable to economic and environmental shocks, as indicated by their high scores on the economic vulnerability index.

10. The Committee recalled resolution 67/221 and reiterated the importance of countries that are graduating and have graduated participating in the monitoring process, to ensure that country perspectives were reflected in the monitoring reports.

Fine-tuning of the human assets index

11. The Committee continued its review of the human assets index. It decided that in future triennial reviews, the index would include the maternal mortality ratio to enhance the capture of structural impediments to sustainable development. The Committee would continue to review other elements of the index, notably with a view to replacing the undernourishment indicator with stunting, as a measure of malnutrition.

Midterm review of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020

12. The Committee noted the substantial gaps in the fulfilment of official development assistance (ODA) commitments to the least developed countries and in meeting the principles of the Paris Declaration on Aid Effectiveness. It recognized the central role that ODA played in the development of the least developed countries and therefore reiterated the importance of meeting ODA commitments, which should benefit those countries currently in the least developed category, as well as those which were in transition from the category. In allocating ODA to the least developed countries and countries that had graduated, donors should take into account the heterogeneity of needs within the group and the differences in the capacity of countries to access other sources of finance and mobilize domestic resources for development. The Committee further recommended that increased ODA flows should be accompanied by strengthened mechanisms of international tax cooperation to address the problem of illicit capital flows.

13. Climate financing should be separate from, and additional to, regular ODA. The least developed countries, countries graduating from that category and other developing countries suffered from severe vulnerabilities to climate change and other environmental shocks. The Committee recommended the use of the economic vulnerability index for the allocation of new climate finance, independently of whether countries met or did not meet the criteria for being classified in the least developed country category. That recommendation would also further promote the implementation of General Assembly resolution 67/221, in which donors were invited to consider the least developed country indicators as part of their criteria for allocating ODA.

Chapter II
Accountability for the post-2015 era

A. Introduction

14. For the past few years, the Committee has dedicated significant attention to the possible contours of the post-2015 United Nations development agenda. As the Member States considered the main elements of that agenda, a proposal on 17 sustainable development goals was put forward in 2014 by the Open Working Group of the General Assembly on Sustainable Development Goals. While a consensus on global goals is necessary for the realization of the agreed vision of the world in the future, such agreement does not ensure that the necessary policies aimed at meeting those goals are adopted and implemented. A strong monitoring and accountability mechanism also needs to be in place to track progress and to hold States and their partners (multilateral organizations, civil society organizations, the business sector and private foundations) to account for their commitments to citizens and the international community.

15. The concept of accountability implies three main dimensions: the obligation of public officials to provide information about and explain their actions (answerability); a clear delineation of responsibilities; and enforcement through the threat of disciplinary action. Accountability as answerability aims to create transparency. It relies on the dissemination of information and the establishment of adequate monitoring and oversight mechanisms.

16. The concept is important in systems of governance at the national level, but difficult to operationalize at the global level, particularly in the context of the post-2015 agenda, where commitments are largely voluntary. Incentives could be put in place to report on actions taken, while enforcement through the threat of punitive measures is obviously not a feasible option. A further complication is that commitments, such as ending abject poverty and freeing the human race from want, are "imperfect duties", as responsibility cannot be easily attributed to one single agent. The delineation of responsibility is difficult at the international level. In addition, the degree of interdependence in the global economy implies that actions at the national level are no longer sufficient to ensure the delivery of agreed outcomes.

17. Nonetheless, while imperfect, those voluntary obligations are morally binding. Governments are accountable to the peoples to whom those commitments are made. They are also accountable to each other, as providers and recipients of the "means of implementation" (financial resources, technology and expertise) and as facilitators of an enabling environment for the implementation of the agenda.

18. A robust accountability mechanism can be identified and institutionalized as a process that contributes to the implementation of the political commitments to be made in September 2015. It also improves policymaking and the allocation of the resources needed for the implementation of those commitments. The post-2015 agenda should thus include a mechanism of "accountability for results and constructive change". Through that mechanism, progress towards agreed objectives should be monitored, obstacles to implementation examined, successful approaches identified and guidance provided on changes and remedial actions to those policies deemed ineffective in meeting internationally agreed goals.

B. Moving forward: transitioning from the Millennium Development Goals to the sustainable development goals

19. For the Millennium Development Goals, some components of answerability on the pledges included in the Millennium Declaration have been put in place. Measurable targets have been identified and the United Nations system, with the support of other specialized agencies, has developed and introduced a statistical data base to support a monitoring framework. That framework also includes several progress reports and a system of voluntary country presentations within the context of the annual ministerial reviews sponsored by the Economic and Social Council. Nonetheless, there has been dissatisfaction with the framework, as analysed in earlier reports of the Committee.

20. To address those concerns, it is crucial that the sustainable development goals are recognized as universal objectives, but with each country adapting the targets to their national context in a democratic and inclusive way, including in particular through consultations with national parliaments and civil society. Countries should design and report on the appropriate policies they will be implementing to meet the targets nationally and on how they will contribute to their achievement at the global level. That will facilitate ownership, provide a clearer delineation of responsibility, improve transparency and contribute to producing a more efficient accountability system geared to transformative change.

21. In addition, in designing the accountability framework for the post-2015 development agenda, the objective should be to build upon existing accountability mechanisms, strengthening them where necessary, and support new ones where applicable. The promotion of effective and coherent links among the various accountability mechanisms at local, national, regional and global level is also needed.

22. While a reliable data system is critical for exercising accountability, it should be emphasized that indicators are intended to help monitor progress towards objectives and need to be used in combination with qualitative analyses of progress, challenges and constraints. Global governance and the inequalities that characterize the global economic system will be sidelined in international development debates if quantitative targets and indicators alone drive the agenda. Excessive reliance on indicators as a framework for accountability is therefore not only inadequate, but will distort international development priorities.

Principles for effective accountability for the post-2015 development agenda

23. To overcome the asymmetries that hamper development cooperation process in delivering results, the Committee recommended that reform of the accountability framework for the post-2015 agenda needed to rest on a few critical principles, as set out below.

24. **Subsidiarity**. Issues ought to be addressed at the lowest level at which they can be tackled. Given the central role that countries will play in the implementation of the post-2015 development agenda and the lack of horizontal accountability at the international level, strong ties to the national accountability exercise should be established, supported by very active international and national social accountability. Linking national parliaments with international social accountability

is essential, as they are the formal institutions in charge of making Governments accountable for international commitments.

25. **Universality**. The post-2015 development agenda will reflect an agreed shared vision of the future for the world. It will require efforts by all Government and their development partners to turn that vision into reality. That universality also needs to be reflected in the accountability system for the post-2015 agenda and particularly in the design of platforms of accountability for all those involved.

26. **Ownership**. The post-2105 development agenda should leave ample space for national policy design and allow for the adaption of targets to local settings, as explained above. That critical element guarantees national "ownership" of the agenda and creates incentives for accountability.

27. **Coherence**. This calls for building a genuine, mutually reinforcing system among existing accountability mechanisms and for establishing linkages and complementarities among them to avoid inconsistency and duplication of efforts.

28. **Inclusiveness and transparency**. Global governance institutions need to be representative of, and accountable to, the entire global community; moreover, decision-making procedures need to be democratic, inclusive and transparent. In the absence of those characteristics, they will lack universal legitimacy and their effectiveness will be compromised. Balancing the inherent power asymmetries is mandatory for effective horizontal and transparent accountability. That requires a stronger voice for partner countries in order to overcome the imbalances in the aid relationship, a high degree of surveillance of the commitments of all countries by independent secretariats and high-profile political debates.

29. **Results-oriented commitments**. The requirement that all positions of authority should have clearly defined duties and performance standards, which enable their behaviour to be assessed objectively and transparently, is a necessary prerequisite for both answerability and the incentives to comply.

C. Essential elements of effective accountability for the post-2015 development agenda

30. The Committee recommended that a reformed and strengthened monitoring and accountability framework, based on the principles described above, should include the essential elements set out below.

31. First, it should be a bottom-up process and rely on the broad use of national accountability mechanisms. Parliaments should be at the centre of the post-2015 accountability exercise. National follow-up processes should also include local and regional governments. At the international level, the regional layer of accountability should be designated for peer reviewing and other forms of horizontal accountability. Those national and regional processes would then converge at the High-level Political Forum on Sustainable Development which has been mandated by the General Assembly to provide political leadership and review implementation of sustainable development commitments.

32. Second, a strong monitoring mechanism at both the regional and global levels is required. Monitoring should have a certain level of independence to assure impartiality and should be assigned to the secretariats of relevant multilateral and regional organizations.

33. Third, a robust information system is required. For the vast majority of the targets for the sustainable development goals, reliable, timely and accurate information is currently lacking for a large number of developing countries, including most of the least developed countries. That implies that strengthening the statistical capacities of developing countries to produce basic data about their own economic, social and environmental conditions should take precedence over developing a more sophisticated information system.

34. Fourth, monitoring should feed into the first dimension of accountability — answerability. The High-level Political Forum, including its annual ministerial meetings during the high-level segment of the Economic and Social Council and, on the subject of development cooperation, the Development Cooperation Forum of the Council, should provide the "institutional home" for Governments to discuss the assessments provided in the various monitoring reports and the recommendations arising from them.

35. Given the complexity of the post-2015 development agenda, it will be necessary for the Economic and Social Council to undertake annual follow-up accountability exercises with a thematic focus, while reflecting the three dimensions of sustainable development. The same thematic focus should be applied to regional consultations. In that regard, the Council as the "principal organ in the integrated and coordinated follow-up of the outcomes of all major United Nations conferences and summits" (see General Assembly resolution 67/203) could mandate its main subsidiary bodies to undertake specific responsibilities for much closer follow-up of specific development goals, which should be integrated with their own follow-up of the global conferences and summits under their purview.

36. Fifth, the system should use peer reviews of different character. Those peer reviews should be undertaken in a context in which partners see themselves as equals and therefore avoid frameworks that reflect the power imbalances in donor-recipient relations. The regional processes, facilitated by the secretariats of the regional commissions and by the Organization for Economic Cooperation and Development in the case of developed countries, should be the basic institutional framework for such exercises. Peer review exercises could be also introduced for other types of partners besides Governments (see below).

37. Sixth, mutual accountability should be used for development cooperation and, more broadly, for the global partnership for development. The development agenda is not only about technical cooperation and financial flows, but also about the rules that should ensure an "enabling environment" for development. Both dimensions need to be included in the new accountability system and monitored by the Secretariat to ensure impartiality in the light of power imbalances. Moreover, meeting the commitments on furthering the global partnership for sustainable development (sustainable development goal 17) should be considered at the four-yearly meetings of the High-level Forum at the level of heads of State. The major objectives of those summits should include the consideration of new actions to accelerate those elements of the agenda that are progressing at a slow pace and to unblock perceived obstacles that might be determining such slow progress.

38. Seventh, active social accountability, exercised by multiple civil society organizations at the national, regional and global levels, should be an essential component of the follow-up process and specific accountability frameworks, including peer reviews, would also have to be put in place for civil society organizations and the private sector in order to assess their contribution to meeting the sustainable development goals.

Chapter III
Triennial review of the list of least developed countries

A. Introduction

39. The identification of the least developed countries — defined as low-income countries suffering from severe structural impediments to sustainable development — is based on three criteria: (a) gross national income (GNI) per capita as an indicator of income-generating capacity; (b) the human assets index as an indicator of human assets; and (c) the economic vulnerability index as an indicator of structural vulnerability to exogenous shocks.

40. Graduation from least developed country status occurs according to procedures specified in General Assembly resolution 59/209 and the guidelines adopted by the Committee for Development Policy in 2007 and 2008 and endorsed by the Economic and Social Council.

41. To be included in the category of least developed country, a country must satisfy all three identification criteria at specific threshold values. Eligibility for graduation requires a country to fail to meet two, rather than only one, of the three criteria, while thresholds for graduation are established at higher levels than those for inclusion. To be recommended for graduation, a country has to be found eligible at two successive reviews. While inclusion becomes effective immediately, graduation takes place only after three years, in order to give the country time to prepare, with the support of its development partners, for a smooth transition from the category.

42. In 2005, the Committee agreed that a sustainable high level of GNI per capita — at least twice the graduation threshold — was sufficient to make a country eligible for graduation, even if it did not meet the graduation threshold for either of the two other criteria.

43. The criteria for identifying the least developed countries were reviewed in 2014. In preparation for the work of the Committee, a preliminary review of the list of least developed countries was conducted at an expert group meeting of the Committee in January 2015, when participants also consulted with representatives of Angola and Kiribati as to their views on the graduation prospects of those countries.

B. The criteria for identifying the least developed countries

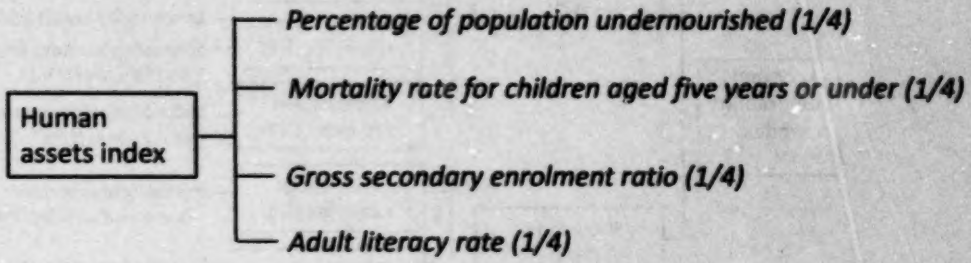
1. Gross national income per capita

44. Gross national income per capita is measured as a three-year annual average. For the 2015 review, averages for the period 2011-2013 were used. National currencies were converted into United States dollars by using the World Bank Atlas method, which uses three-year averages of market exchange rates (adjusted for relative inflation between a country and the main developed countries) to reduce the impact of exchange rate volatility.

2. Human assets index

45. Low levels of human assets are a structural impediment to sustainable development. The human assets index includes indicators related to the status of a country's health, nutrition and education. The index currently consists of the following four indicators, with each having an equal weight in the overall index. The original indicator values are converted into indices ranging from 0 to 100 to facilitate the aggregation and comparison of data.

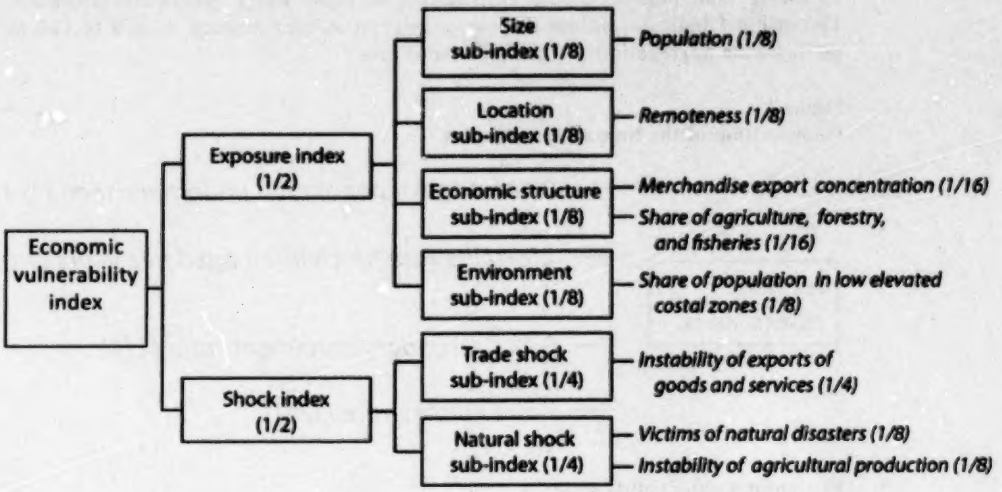
Figure I
Composition of the human assets index


Human assets index
Percentage of population undernourished (1/4)
Mortality rate for children aged five years or under (1/4)
Gross secondary enrolment ratio (1/4)
Adult literacy rate (1/4)

3. Economic vulnerability index

46. The economic vulnerability index measures the structural vulnerability of countries to economic shocks, in particular trade, and to environmental shocks. It is a structured index consisting of two main sub-indices: one reflects exposure to shocks; the other measures the impact of such shocks. The current structure and composition of the index is indicated below, with the numbers in brackets denoting the weight of components in the overall index. As for the human assets index, indicator values are converted into indices ranging from 0 to 100.

Figure II
Composition of the economic vulnerability index


Economic vulnerability index
Exposure index (1/2)
Shock index (1/2)
Size sub-index (1/8)
Location sub-index (1/8)
Economic structure sub-index (1/8)
Environment sub-index (1/8)
Trade shock sub-index (1/4)
Natural shock sub-index (1/4)
Population (1/8)
Remoteness (1/8)
Merchandise export concentration (1/16)
Share of agriculture, forestry, and fisheries (1/16)
Share of population in low elevated costal zones (1/8)
Instability of exports of goods and services (1/4)
Victims of natural disasters (1/8)
Instability of agricultural production (1/8)

4. Thresholds

47. **Income criterion**. The inclusion threshold for the income criterion is set at the 2011–2013 average of the low-income threshold established by the World Bank, which is $1,035. The income graduation threshold is set at 20 per cent above the inclusion threshold, i.e. $1,242. The "income only" graduation threshold is twice the graduation threshold, i.e. $2,484, as noted in the table below.

48. **Human assets and economic vulnerability indices**. In 2014, the Committee decided to abandon the previous practice of establishing thresholds for the two indices on the basis of the distribution of scores within a reference group and to adopt absolute thresholds. The Committee also decided to fix the thresholds permanently at their 2012 levels, with adjustments being made for changes in indicators, methodologies or data sources, when necessary. For the 2015 triennial review, no adjustments were necessary. Consequently, the inclusion threshold for the human assets index was established at 60, while the threshold for graduation was 66. Similarly, the thresholds for the economic vulnerability index were 36 for inclusion and 32 for graduation.

49. Table 1 shows the criteria values of the least developed countries in the 2015 triennial review.

Table 1
Least developed countries list: criteria for determining eligibility for inclusion and graduation

GNI per capita, 2011-2013 average (in United States dollars)		*Human assets index*		*Economic vulnerability index*	
Somalia	119	Somalia	7.8	Kiribati	71.5
Burundi	239	Central African Republic	22.9	Gambia	70.7
Liberia	340	Chad	24.4	Liberia	57.9
Dem. Rep. of the Congo	386	South Sudan	29.1	Eritrea	56.8
Niger	389	Dem. Rep. of the Congo	29.9	South Sudan	56.0
Ethiopia	395	Niger	34.7	Timor-Leste	55.0
Malawi	410	Sierra Leone	34.8	Tuvalu	54.0
Madagascar	430	Burkina Faso	36.5	Guinea-Bissau	53.6
Central African Republic	439	Guinea	38.7	Solomon Islands	50.8
Eritrea	444	Ethiopia	39.2	Sudan	49.9
Chad	444	Haiti	39.3	Burundi	49.9
Guinea	485	Zambia	40.8	Sierra Leone	48.9
Togo	491	Burundi	41.0	Vanuatu	47.7
Gambia	509	Eritrea	41.2	Chad	46.0
Mozambique	546	Mozambique	41.7	Comoros	45.8
Guinea-Bissau	567	Angola	41.9	Zambia	45.6
Sierra Leone	567	Afghanistan	43.1	Lesotho	42.9
South Sudan	573	Guinea-Bissau	44.8	Mauritania	41.2
Rwanda	592	Mali	45.5	Malawi	41.1
Nepal	659	Liberia	46.2	Rwanda	40.7
Uganda	663	Mauritania	49.5	Bhutan	40.2
Burkina Faso	666	Benin	50.1	Angola	39.7
Mali	666	Rwanda	51.5	Burkina Faso	39.5
Afghanistan	672	United Rep. of Tanzania	52.0	Equatorial Guinea	39.3
Haiti	696	Madagascar	53.5	Sao Tome and Principe	39.2
Benin	753	Uganda	53.6	Cambodia	38.3
United Rep. of Tanzania	779	Malawi	53.7	Mozambique	38.1
Cambodia	852	Comoros	54.2	Djibouti	37.7
Comoros	855	Djibouti	54.6	Niger	37.6
Bangladesh	926	Equatorial Guinea	54.8	Madagascar	36.7
Senegal	1,006	Senegal	55.9	Somalia	36.3
Myanmar	1,063	Sudan	56.6	Lao People's Dem. Rep.	36.2
Lao People's Dem. Rep.	1,232	Timor-Leste	57.4	Yemen	35.4
Yemen	1,234	Togo	58.7	Afghanistan	35.1
Mauritania	1,261	Yemen	59.8	Haiti	34.1
Zambia	1,327	Lao People's Dem. Rep.	60.8	Myanmar	33.7
Lesotho	1,374	Gambia	62.1	Togo	33.6
Solomon Islands	1,402	Lesotho	62.9	Central African Republic	33.5
Sao Tome and Principe	1,431	Bangladesh	63.8	Mali	33.3
Sudan	1,511	Cambodia	67.2	Senegal	33.0
Djibouti	1,629	Bhutan	67.9	Ethiopia	31.8
Bhutan	2,277	Nepal	68.7	Uganda	31.8
Kiribati	2,489	Solomon Islands	71.7	Benin	31.2
Vanuatu	2,997	Myanmar	72.7	Dem. Rep. of the Congo	30.3
Timor-Leste	3,767	Sao Tome and Principe	77.4	United Rep. of Tanzania	28.8
Angola	4,518	Vanuatu	81.3	Nepal	26.8
Tuvalu	5,788	Kiribati	86.3	Bangladesh	25.1
Equatorial Guinea	16,089	Tuvalu	88.8	Guinea	24.9
Memo item:					
Zimbabwe	857	Zimbabwe	56.8	Zimbabwe	59.0

Note: The thresholds for inclusion in the least developed countries category are: GNI per capita of $1,035 or less, a human assets index (HAI) score of 60 or less and an economic vulnerability index (EVI) score of 36 or more. All three criteria must be met. The thresholds of graduation are: GNI per capita of $1,242 or more, HAI of 66 or more and EVI of 32 or less. Two of the three criteria must be met. A country also qualifies if its GNI per capita is sustainably above $2,484, independent of its HAI and EVI scores. Detailed data for all States Members of the United Nations in developing regions is available at http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_data.shtml.

C. Eligibility for inclusion and graduation

1. Countries considered for inclusion

50. Zimbabwe meets all three criteria for inclusion in the list of least developed countries for the fourth consecutive triannual review. After being informed of this, Zimbabwe confirmed its long-standing position that it did not wish to be included in the list of least developed countries. The Committee took note of that position and did not recommend that the country be included in the least developed country category.

2. Countries considered for graduation

51. Angola and Kiribati were found eligible for graduation in 2012. The Committee reviewed the report of the expert group, the ex-ante impact assessments prepared by the Department of Economic and Social Affairs, the vulnerability profiles prepared by UNCTAD on the two countries and two written statements by Kiribati.

Angola

52. Angola meets the "income only" graduation criterion for the second consecutive time. However, Angola is below the graduation threshold on both indices, indicating an imbalance in the development of the country.

53. The Committee recommended Angola for graduation from the least developed country category. It noted that the economy depended heavily on oil, so that the recent massive decline in oil prices posed a challenge. However, the GNI per capita would remain far above the graduation threshold even if oil prices remained low. The country was undertaking efforts to integrate graduation into its development processes and strategies, which would help Angola to manage the transition to non-least developed country status. It would be essential for the country to implement its plans to further develop its human assets and to diversify its economy. Moreover, Angola could also benefit from fully utilizing the currently available benefits for least developed countries, in particular the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.

54. In addition, Angola would require external support for graduation, in particular in the area of implementing World Trade Organization rules. That support could include increased technical assistance and an extension of the time frame for implementing the WTO rules.

Kiribati

55. The Committee noted that Kiribati met both the income and human assets index criteria for the second consecutive time, both by a wide margin. At the same time, Kiribati continued to be the most vulnerable country in the world according to the economic vulnerability index. The severe adverse impact of cyclone Pam that hit the South Pacific region in March 2015 underscored the vulnerability of the country.

56. The Committee did not recommend that Kiribati graduate from the list of the least developed countries at the present stage. The country would remain under review, due to the need to assess the sustainability of its level of income better. Owing to the extremely high vulnerability of Kiribati, its income could be

significantly affected by large negative shocks. While the current income level was above the graduation threshold, it was also significantly lower than that of other highly vulnerable countries that had been recommended for graduation.

57. Moreover, assessing the impact of a possible graduation was currently subject to heightened uncertainty. In the crucial area of climate change adaptation, future access to international financing was highly dependent on the modalities, which were still to be developed, for accessing the new Green Climate Fund. In particular, it was unclear whether, and to what extent, access would be linked to least developed country status. In addition, Kiribati was undertaking efforts for better exploiting its fisheries resources as a main source for economic development, rather than mostly by issuing fishing licences to foreign vessels. However, the role of external support in developing the sector and the impact of graduation on these efforts could not currently be properly assessed.

58. The Committee will revisit a possible recommendation for the graduation of Kiribati at the 2018 triennial review. It requested UNCTAD and the Department of Economic and Social Affairs to update the reports they had prepared for the 2015 triennial for the next triennial review in 2018.

3. Other countries

59. Five countries meet the eligibility criteria for graduation for the first time: Bhutan, Sao Tome and Principe and Solomon Islands meet both the GNI and the human assets index criteria; Timor-Leste meets the "income only" criterion and Nepal meets both the indices, while still being a low-income country. Those countries will be duly notified of the findings and will be considered for graduation at the next triennial review in 2018. The Committee requested UNCTAD and the Department of Economic and Social Affairs to prepare vulnerability profiles and impact assessments, respectively, for that review.

60. Tuvalu was recommended by the Committee for graduation in 2012. The Council, however, has postponed the consideration of that recommendation twice, in its resolutions 2012/32 and 2013/20, and is scheduled to address the issue again in 2015. The Committee noted that Tuvalu had not only continued to meet the income and human assets index graduation criteria, but had done so with increasing margins compared to the 2012 review. At the same time, the Committee also noted the high degree of vulnerability of Tuvalu, as reflected in its economic vulnerability index score and evidenced by the impact of the recent cyclone Pam. The Committee further reiterated that the international community needed to provide Tuvalu with adequate technical assistance and concessional financing to address the climate change challenge.

61. Myanmar has requested the United Nations to review the country as a potential candidate for graduation from least developed country status. The Committee took note of the request by Myanmar. The country has made substantial progress vis-à-vis all three criteria. It is above the human assets index graduation threshold, while remaining below the GNI and economic vulnerability index thresholds. While the country does not yet meet the graduation eligibility criteria, it can be expected to meet the criteria if its development progress is maintained in the next years.

4. Support to vulnerable countries

62. The Committee emphasized that the number of least developed countries approaching graduation was increasing and was expected to continue to increase in the future. The international community should regard this progress as success, but it also needed to address the implications of that success for the framework for development cooperation. Because some countries eligible for graduation would remain highly vulnerable to climate change and to other environmental and economic shocks, they would require continued international support to address those vulnerabilities. Tying climate financing to least developed country status thus constituted an implicit cost of graduation. Rather, there was a need to establish a framework of international support for vulnerable countries outside the least developed country category. In that framework, support should address the specific vulnerabilities of countries. One option would be to consider the economic vulnerability index as an indicator that would reflect economic, environmental and climate vulnerabilities better than least developed country status.

63. The Committee also noted that an increase in graduation had implications for global targets on support to the least developed countries. The international community should therefore take the issue of graduation into account when adopting or reviewing such targets.

Chapter IV
Monitoring countries that are graduating and have graduated

A. Introduction

64. The Committee for Development Policy is mandated by the Economic and Social Council (see resolution 2013/20) to monitor the development progress of countries earmarked for graduation from the least developed country category and to include its findings in its annual report to the Council. The present report includes the cases of Equatorial Guinea and Vanuatu, both of which are earmarked for graduation in 2017.

65. In resolution 67/221, the General Assembly requested the Committee to monitor the development progress of countries that had graduated from the least developed country category and to include its findings in its annual report to the Council. The monitoring was to be conducted, in consultation with the Governments of those countries, on a yearly basis for a period of three years after graduation became effective and triennially thereafter, as a complement to two triennial reviews of the list of least developed countries. Accordingly, the Committee has reviewed the progress made by Maldives and Samoa which graduated in 2011 and 2014, respectively.

B. Monitoring the development progress of countries that are graduating

Equatorial Guinea

66. The country was recommended for graduation in 2009 as its GNI per capita was several times above the graduation threshold ("income only" rule). The country has continued to make progress on that front: GNI per capita is 13 times higher than the graduation threshold established at the 2015 triennial review (see table 2). However, the Committee found that the recent decline in oil prices and the decreasing oil production would have negative impacts on the medium-term economic prospects of the country, owing to its heavy reliance on hydrocarbon exports.

Table 2
Monitored countries that are graduating and have graduated: triennial review 2015

	GNI per capita (in United States dollars)	*Economic vulnerability index*	*Human assets index*
Graduation threshold	> 1 242	< 32.0	> 66.0
Equatorial Guinea	16 089	39.5	54.8
Maldives	6 645	49.5	91.3
Samoa	3 319	43.9	94.4
Vanuatu	2 997	47.3	81.3

Source: Secretariat of the Committee for Development Policy.

67. The Committee also found a significant imbalance between the high level of income per capita and the low level of human development. The human assets index score had been low, not compatible with countries with similar levels of income and it had not improved much during the monitoring period. The Committee advised the country to formulate and implement a transition strategy for economic diversification, and an improved human assets index.

Vanuatu

68. The Committee found that the country had continued to make significant development progress in its GNI per capita and its score on the human assets index, the two criteria on which the country was recommended for graduation. However, the Committee noted with great concern the devastating consequences of cyclone Pam, which hit the country in March 2015. While the exact extent of damages the country had suffered was unknown at the time of the triennial review in March 2015, such devastation raised uncertainty over the near-term development outlook.

69. In resolution 67/221, the General Assembly invited the Governments of graduating countries, with the support of the consultative mechanism, to report annually to the Committee on the preparation of their transition strategies. Neither Equatorial Guinea nor Vanuatu has reported to the Committee on the preparation of its transition strategy.

C. Monitoring the development progress of countries that have graduated

Maldives

70. The country graduated from the least developed country category in 2011. The Committee noted the continued development progress of the country: its GNI per capita was more than five times higher than the income graduation threshold at the 2015 triennial review. The human assets index score declined between 2012 and the present review, owing to a decrease in the gross enrolment ratio in secondary schools from 82.1 to 72.3 per cent. That was, however, owing to reduced overage enrolment and grade repetition, as the net secondary school enrolment ratio had been steadily increasing in recent years. Thus, the drop in the gross enrolment ratio was not seen as a cause for concern. The economic vulnerability index score had improved, but the country remained highly vulnerable to environmental and external economic factors.

71. The Committee noted that the termination of trade preferences extended to Maldives by its major trading partners after graduation had not, so far, affected exports of fish as the country had succeeded in reorienting its exports towards other markets. The Committee would continue to monitor the development of the fisheries sector and its impact on near-term growth in the country. The Committee further noted that Maldives had not submitted an input to the monitoring exercise.

Samoa

72. The country has continued to make progress since graduation in 2014, and the recovery from the impact of the cyclone is almost complete. Its GNI per capita is almost three times above the graduation threshold established at the 2015 triennial

review. However, income growth is not expected to accelerate in the medium term, while the country remains vulnerable to economic and environmental shocks. Samoa has maintained high levels of human capital, as indicated by its score on the human assets index.

73. The Committee acknowledged with appreciation the input provided by the Government of Samoa to the monitoring exercise. The Committee reviewed that information carefully and found that Samoa had been active in engaging its development and trading partners in the implementation of the transition strategy to minimize possible negative impacts as a result of graduation.

D. Strengthening country monitoring

74. The Committee noted that the recent progress made by a number of the least developed countries towards graduation was likely to lead to an increase in the number of monitoring reports that needed to be prepared for the annual sessions of the Committee. The preparation of the increasing number of reports would go beyond the capacity of the Committee secretariat. The Committee therefore recommended that the Council instruct the secretariats of the regional commissions to prepare a brief overview of a selected set of indicators and relevant information established on a country-by-country basis, to assess any signs of deterioration in the development progress of the countries that are graduating and have graduated.

75. The regional commissions possess detailed expertise on the countries that are graduating and have graduated in their respective regions, as they already issue annual surveys and studies on those countries and have established close working relations with their Governments.

76. The overview would be submitted to the Committee before 31 December of each year prior to the publication of the annual report of the Committee to the Council the following year, in line with the reporting schedule established in 2013. At its annual plenary session, the Committee would consider the overview submitted by the regional commissions and the reports on transition strategy submitted by countries that are graduating and have graduated, in line with General Assembly resolution 67/221, and include the findings in its annual report to the Council.

77. The Committee anticipated that the change of arrangements on the reporting procedure would contribute to a more efficient reporting and to creating better synergies among competent entities within the Secretariat.

Chapter V
Refining the human assets index

A. Introduction

78. The Committee for Development Policy regularly reviews the criteria for classifying the least developed countries. That review takes place in the year preceding the triennial review of the list of the least developed countries. The most recent review of the criteria took place in the plenary meeting of the Committee in March 2014, prior to the 2015 triennial review. The latest review introduced some refinements in methodologies and data sources for a number of the least developed country indicators. On that occasion, the Committee also contemplated the possibility of removing the indicator headed "percentage of population undernourished" from the human assets index and adding new indicators on maternal mortality, the prevalence of stunting and other health-related indicators of the status of the population, to further improve the human assets index as an index that captures structural impediments to sustainable development. However, owing to concerns about the availability and country coverage of the proposed indicators, the Committee decided not to make any changes to the index for the 2015 triennial review, but to keep it under review in its work programme and revisit the issue at its eighteenth session.

B. Human assets index

79. Human assets, low levels of which are considered to be a major structural impediment to sustainable development, are measured in the least developed country criteria by a composite index comprising indicators related to the status of the health and education of the population of a given country. Figure I above shows the composition of the human assets index as employed for the 2015 review.

80. The Committee confirmed that the gross secondary school enrolment rate measured important aspects of human capacity, but noted that it did not sufficiently capture either educational attainment or the quality of education that the population received. The Committee also noted that indicators on educational attainment, such as the secondary school completion rate and average years of schooling of the adult population, could capture the educational outcome of a population better than the gross secondary school enrolment rate, but that country coverage and acceptance by development practitioners were still limited. It further noted that the net secondary school enrolment rate was a better indicator than the gross enrolment rate for measuring the educational outcome for the school-age population, as the latter included grade repetition and under- and overaged students. It noted that net enrolment was well accepted among development practitioners, but that country coverage, particularly among the least developed countries, was limited. The Committee decided to keep the gross secondary school enrolment rate in the human assets index and to revisit the issue at a later date, pending increased data availability.

81. The Committee explored the possibility of removing the current indicator on undernourishment from the human assets index and adding an indicator to the index on the proportion of children under five years of age who were stunted. It noted that

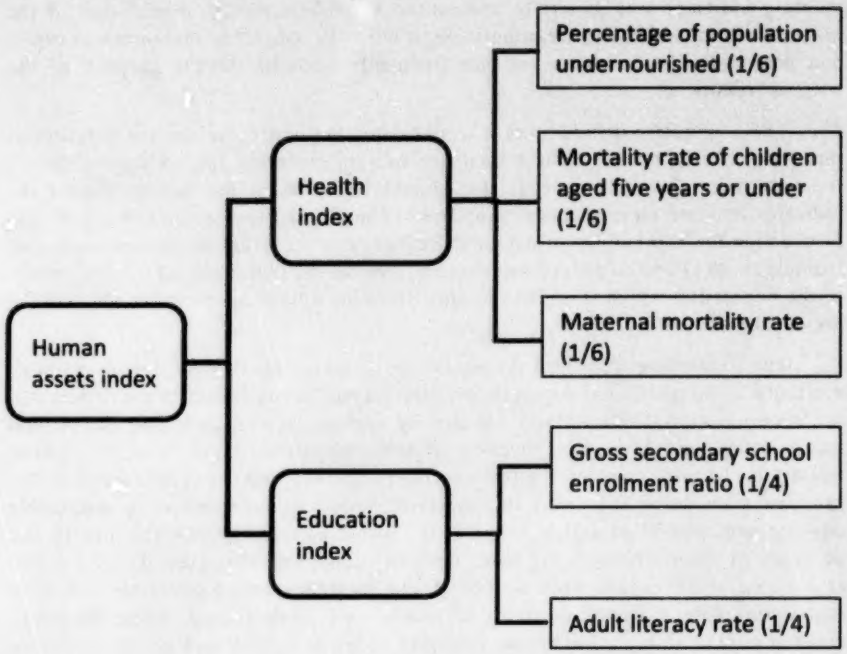
undernourishment was an indicator of food availability, but not necessarily of structural impediments to malnutrition. The Committee also noted that, while the stunting indicator was generally understood as an effective approximation of the nutritional status of the entire population, it might be subject to measurement errors and comparability problems and not frequently updated for the purpose of the triennial reviews.

82. The Committee decided that it would retain the undernourishment indicator at that time. It also decided that a final decision on replacing the undernourishment indicator with the stunting indicator should be made in the future, should the indicator become more frequently updated. The Committee decided that it would re-examine the availability of data and frequency of reporting on the prevalence of stunting in 2017 and, if judged satisfactory, remove the indicators on the percentage of the population which is undernourished from the human assets index and add the prevalence of stunting.

83. The Committee discussed the possibility of including an indicator on maternal mortality as an additional component of the human assets index. It confirmed that the maternal mortality ratio was affected by various factors, including the general health status and level of education of the population, as well as the overall condition of health services available during pregnancy and childbirth. As such, the ratio was considered as a proxy for measuring structural impediments to sustainable development and its inclusion in the index would further enhance the quality and accuracy of the information the index currently conveyed. However, the Committee also noted that because only a few of the least developed countries had vital registration data, maternal mortality estimates were model-based. While the model ensured comparability of maternal mortality ratios over time and across countries, estimates depended heavily on the availability and quality of the input variables, including the underlying assumptions and hypotheses, and they often exhibited a wide margin of error. That notwithstanding, the Committee concluded that the inclusion of the maternal mortality ratio would bring an improvement to the index. It thus decided that the calculation of the index for future triennial reviews would include the maternal mortality ratio, in order to enhance capture of the structural impediments to sustainable development. The Committee reconfirmed the under-five mortality rate and the adult literacy rate as comprehensive indicators of the health and educational status of a population, respectively.

84. As a result of the considerations set out above, the human assets index will be comprised of five indicators: three health-related (percentage of the population which is undernourished, the under-five mortality rate and the maternal mortality ratio), all having equal weight in a health sub-index; and two education-related (the adult literacy rate and the gross secondary school enrolment ratio) both having equal weight in an education sub-index. The education and the health sub-indices have equal weight in the human assets index, as shown in figure III.

Figure III
New composition of the human assets index


Human assets index
Health index
Education index
Percentage of population undernourished (1/6)
Mortality rate of children aged five years or under (1/6)
Maternal mortality rate (1/6)
Gross secondary school enrolment ratio (1/4)
Adult literacy rate (1/4)

Chapter VI

The role of official development assistance in the new landscape of financing for development: how it can contribute to the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 in the post-2015 era

A. Introduction

85. The international community is discussing the objectives of the post-2015 development agenda, which is to be adopted in September 2015. The resulting sustainable development goals are to replace the Millennium Development Goals. While the list of sustainable development goals still needs to be finalized, it is already clear that the new objectives are vastly more ambitious than the Millennium Development Goals and will have wide-ranging implications for the development cooperation system.

86. The objectives of the Istanbul Programme of Action are equally ambitious, as it sets the target of enabling half the number of least developed countries to meet the criteria for graduation by 2020. Lately, the number of the least developed countries meeting the criteria for graduation has increased. However, to achieve faster progress towards graduation, the least developed countries will need to have better access to ODA and alternative sources of financing. In that context, a renewed global partnership for development to mobilize unprecedented resources and political engagement is of critical importance. New and more effective financial (and non-financial) resources oriented towards the least developed countries will be needed for making the Istanbul Programme of Action a reality.

B. The changing landscape of financing for development

87. The landscape of financing for development has changed significantly over the last two decades. New sources of financing and modalities of support (official and private, national and international, financial and non-financial) have emerged. All of those can be useful for supporting the post-2015 development agenda and the Istanbul Programme of Action. Each type of financial support has its own characteristics, which makes them particularly suitable for some actions but less so, or unsuitable for others. Given its unique characteristics, ODA and other similar flows, even with lower relative weight than before, are an important component of international financing for development, particularly for the poorest countries. ODA remains of critical importance for reaching the objectives of the Istanbul Programme of Action.

88. Along with an expanding list of globally agreed objectives, the post-2015 era will play host to an expanding and changing group of actors and modalities of development support. While Millennium Development Goal 8 could be characterized, broadly speaking, as covering those actions which developed countries needed to take to support developing countries, such clear-cut definitions are no longer a reflection of reality. Many countries are already both contributing to and receiving development cooperation, which is now a more complex web of

interaction and mutual solidarity and interest than the traditional donor-recipient relationship.

89. Moreover, new actors from the private sector, directly or through foundations, are increasingly supporting international aid programmes, as well as promoting other activities, such as philanthropy or social impact investments, which have positive developmental effects without necessarily counting as ODA. With those new actors, the development cooperation system has also increased the range of its available instruments.

90. Traditional donors are reviewing new concepts and methods of measuring those different types of support. In doing so, the central objective should be that the new concepts are coherent with the very nature of development cooperation policy. That implies that those international interventions and activities (public and private) should (a) be specifically intended to support development; (b) operate in ways that would not be promoted (or at least not in the same way) by the market alone; (c) give preferential treatment to developing countries and particularly the least developed countries, in order to broaden their opportunities for progress; and (d) be based on cooperative relationships that enhance ownership by developing countries.

C. The need for increased development cooperation: improving aid allocation

91. Due to their low levels of per capita income, the least developed countries suffer particular constraints that affect their capacity for significantly improving the mobilization of domestic resources (for example, through national savings or tax collection) in favour of developmental purposes. Moreover, international private flows, such as foreign direct investment, portfolio investment or loans, are only marginally oriented towards the least developed countries. Those flows are also selective in their destination and sometimes highly unstable. Given the central role that ODA plays in financing for development in the least developed countries (over 70 per cent of total external finance), international official flows (particularly ODA and other similar resources) remain of critical importance to those countries as sources of funding for poverty alleviation and sustainable development. Donors should therefore confirm their commitment to allocating 0.15 to 0.20 per cent of their GNI to the least developed countries through effective development programmes adapted to the priorities of those countries. Donors that have not yet fulfilled that commitment should define credible paths for reaching the internationally agreed ODA targets for the least developed countries. During the transitional process, donor countries should also define public commitments around a minimum floor of their ODA budgets dedicated to the least developed countries (for example, 50 per cent of their ODA to be allocated to the least developed countries). Other development partners should give increased weight to the least developed countries in their cooperation activities, in accordance with their respective conditions.

92. Empirical studies confirm that donors do not consistently allocate aid in accordance with the needs and capacities of recipient countries. Other factors which play a role in taking decisions on aid (such as the political or economic interests of donors) divert resources from where they are most needed, hindering the effectiveness of that aid. In their efforts to support the Istanbul Programme of

Action, it is therefore important that development partners define and adopt sounder criteria in the process of aid allocation, based on an understanding of the structural impediments of recipient countries and their capacity for mobilizing alternative (domestic or international) financial flows.

93. There are three considerations that can support this process:

(a) Donors should consistently apply the least developed country criteria (particularly the human assets and economic vulnerability indices) in their process of aid allocation. That is in line with General Assembly resolution 67/221 and would make the allocation of ODA more stable, predictable and less procyclical;

(b) In their patterns of aid allocation, donors should take into account the constraints on countries in mobilizing domestic resources (for example, through national savings or tax collection) in favour of developmental purposes;

(c) Finally, in the ODA allocation process, donors should consider the ability of countries to access a range of other sources of financing.

94. Funding to address climate change should neither be part of ODA, nor substitute nor divert funding from development objectives. The least developed countries, countries graduating from the least developed country category and other developing countries may suffer from severe vulnerabilities to climate change and other environmental shocks. The economic vulnerability index should play a major role in the allocation of new climate-related finance to those countries.

D. Improving the transformative capacity of aid: matching needs with cooperation modalities and supporting strategic international public goods

95. In order to improve aid effectiveness, development cooperation modalities should also be tailored in accordance with the existing heterogeneity within the group of least developed countries and with country-specific conditions. Even if general preferential treatment and means of support are common for the whole category, donors should assess how to organize the least developed countries into more homogeneous groups of countries, in order to provide them with better targeted development cooperation responses. In that regard, clusters of countries affected by the same structural deficiencies and needs could be identified. In doing so, there is a need to identify key areas related to structural impediments that deserve international support; select the countries most affected by those impediments; and identify those development cooperation modalities most suitable for tackling the issues identified.

96. Improvements in agricultural productivity are important not only for increasing overall economic growth, but also for reducing poverty and improving the livelihoods of rural populations. In that regard, agricultural research and development, in particular on tropical agriculture, is among the international public goods with a potential positive impact on the development progress of most of the least developed countries. Development partners should therefore dedicate a higher percentage of ODA to expenditure on agricultural research and development, and relevant extension services, in the least developed countries. Public sector agricultural research, globally and nationally, should be strengthened through

traditional and other sources of funding and partnerships, including through South-South cooperation, support for research institutions in the least developed countries and the active participation of agricultural producers in research activities. Moreover, development partners should increase their support to CGIAR (formerly the Consultative Group on International Agricultural Research) alongside searching for new partnerships with an emphasis on funding for improving agricultural productivity.

E. Addressing aid coordination and dependency

97. The least developed countries are among the developing countries that have low levels of institutional capacity for implementing projects and coordinating international providers of support. Those countries also suffer from a proliferation of donors and aid fragmentation. In order to overcome those problems, donors should be encouraged to improve the level of compliance with the principles agreed in the Paris Declaration on Aid Effectiveness. In particular, there is a need to strengthen ownership by recipient countries of donor-supported activities and align donor activities with local priorities and procedures. Donor coordination in recipient countries should also be strengthened.

98. The least developed countries have high levels of aid as a percentage of gross domestic product. Studies have shown the negative effects of high levels of aid dependency, in terms of harming aid quality, damaging institutions and governance and reducing international competitiveness in the recipient country. However, a reduction in ODA flows is neither an efficient nor a fair response to the problem. For some of the least developed countries, ODA and other similar flows are a source of financing for much-needed social services, which are currently difficult to replace and of critical importance for reaching the objectives of the Istanbul Programme of Action.

99. The process of reducing aid dependency requires attention at various levels: (a) caution about plans to increase aid without considering its potential effects on the country; (b) the establishment of plans to gradually downsize aid where feasible, while seeking and backing alternative sources for financing the development of a country; (c) greater attention paid to existing options for mobilizing domestic resources and improving public administration, which involves not only domestic reforms (for example, strengthening tax systems), but also improved international cooperation to strengthen surveillance and enforcement mechanisms related to tackling tax evasion, improper transfer pricing, capital flight and illicit capital flows; and (d) the dedication of more resources to the provision of crucial international public goods with a developmental effect on the least developed countries.

Chapter VII
Future work of the Committee for Development Policy

100. The Committee for Development Policy will continue to align its work programme with the needs and priorities established by the Economic and Social Council, with a view to contributing effectively to the deliberations of the Council and assisting it in the performance of its functions.

101. At its eighteenth session, the Committee will work on the theme the Economic and Social Council adopted for its 2016 session, namely, "Implementing the post-2015 development agenda: moving from commitments to results", and prepare policy recommendations on that issue. In view of the wide range of options for addressing that topic, the Committee has opted for focusing its contribution on how international trade can help developing countries, in particular the least developed countries, to achieve sustainable development goals. In that regard, particular attention will be given to the issue of developing the necessary productive capacities while achieving social and environmental objectives, as defined in the post-2015 development agenda.

102. The Committee will also monitor the development progress of Samoa in accordance with the provisions of General Assembly resolution 67/221.

Chapter VIII
Organization of the session

103. The Committee for Development Policy held its seventeenth session at United Nations Headquarters from 23 to 27 March 2015. Seventeen members of the Committee, as well as observers from several organizations within the United Nations system, attended the session. The list of participants is contained in annex I.

104. The Department of Economic and Social Affairs provided substantive services for the session. The Vice-Chair of the Committee, Sakiko Fukuda-Parr, opened the session and welcomed the participants. Subsequently, the Vice-President of the Economic and Social Council, the Permanent Representative of Tunisia to the United Nations, Ambassador Mohamed Khaled Khiari, addressed the Committee. The Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs also addressed the Committee. Their statements are available at http://www.un.org/en/development/desa/policy/cdp/cdp_statements.shtml.

105. The agenda for the seventeenth session of the Committee is contained in annex II.

Annex I

List of participants

1. The following members of the Committee attended the session:

Lu Aiguo

Jose Antonio Alonso

Diane Elson

Sakiko Fukuda-Parr (Vice-Chair)

Ann Harrison

Stephan Klasen

Keun Lee

Adil Najam

Jose Antonio Ocampo (Chair)

Tea Petrin

Patrick Plane

Pilar Romaguera

Onalenna Selolwane

Claudia Sheinbaum Pardo

Madhura Swaminathan

Zenebework Tadesse Marcos

Dzodzi Tsikata

2. The following entities of the United Nations system were represented at the session:

United Nations Conference on Trade and Development

United Nations Fund for Population Activities

Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

United Nations Development Programme

United Nations Environment Programme

World Food Programme

International Telecommunication Union

Annex II

Agenda

1. Inaugural session.
2. Organizational session.
3. Strengthening accountability for sustainable development in the post-2015 era.
4. The 2015 triennial review of the least developed country category.
5. Monitoring of graduating and graduated countries.
6. Contribution to the midterm review of the Istanbul Programme of Action.
7. Programme of work for the period from April 2015 to March 2016.
8. Adoption of the report of the Committee for Development Policy on its seventeenth session.

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